

Adopted	Rejected
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COMMITTEE REPORT

YES:	25
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 389, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 36-7-26-1 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter applies
- 8 to **the following:**
- 9 (1) A city having a population of more than seventy-five thousand
- 10 (75,000) but less than ninety thousand (90,000).
- 11 (2) A city having a population of more than ninety thousand
- 12 (90,000) but less than one hundred ten thousand (110,000).
- 13 SECTION 2. IC 36-7-26-14 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14. (a) Whenever a

commission determines that the redevelopment and economic development of an area situated within the commission's jurisdiction may require the establishment of a district, the commission shall cause to be assembled data sufficient to make the determinations required under section 15 of this chapter, including the following:

(1) Maps and plats showing the boundaries of the proposed district.

(2) A complete list of street names and the range of street numbers of each street situated in the proposed district.

(3) A plan for the redevelopment and economic development of the proposed district. The plan must describe the local public improvements necessary or appropriate for the redevelopment or economic development.

(b) For a city described in section 1(2) of this chapter, the proposed district must contain a commercial retail facility with at least five hundred thousand (500,000) square feet, and any distributions from the fund must be used in the area described in subsection (a) or in areas that directly benefit the area described in subsection (a).

SECTION 3. IC 36-7-26-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 23. (a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of this chapter or to pay lease rentals under section 24 of this chapter; and

(2) to establish and maintain a debt service reserve established by the commission or by a lessor that provides local public improvements to the commission;

shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

- (1) eighty percent (80%) of the gross increment; minus
- (2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

- (1) the gross increment; minus
- (2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(f) A city described in section 1(2) of this chapter may receive not more than fifty percent (50%) of the net increment each year. During the time a district exists in a city described in section 1(2) of this chapter, not more than a total of one million dollars (\$1,000,000) of net increment may be paid to the city described in section 1(2) of this chapter.

~~(f)~~ (g) The auditor of state shall disburse all money in the fund that is credited to the net increment account to the commission in equal semiannual installments on November 30 and May 31 of each year.

SECTION 4. IC 36-7-26-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 24. (a) The commission may issue bonds, payable in whole or in part, from money distributed from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed twenty (20) years, nor may the term of any lease agreement entered into under this section exceed twenty (20) years. The commission shall transmit to the board a transcript of the proceedings with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in

1 connection with the bonds or the lease rentals.

2 (b) On January 15 of each year, the commission shall remit to the
3 treasurer of state the money disbursed from the fund that is credited to
4 the net increment account that exceeds the amount needed to pay debt
5 service or lease rentals and to establish and maintain a debt service
6 reserve under this chapter in the prior year and before May 31 of that
7 year. Amounts remitted under this subsection shall be deposited by the
8 auditor of state as other gross retail and use taxes are deposited.

9 (c) **The commission in a city described in section 1(2) of this**
10 **chapter may distribute money from the fund only for road,**
11 **interchange, and right-of-way improvements and for real property**
12 **acquisition costs in furtherance of the road, interchange, and**
13 **right-of-way improvements."**

14 Renumber all SECTIONS consecutively.

(Reference is to SB 389 as printed February 6, 2001.)

and when so amended that said bill do pass.

Representative Bauer